THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION
ITEM FOR INFORMATION

SUBJECT: June Faculty Governance Update

The University of Michigan faculty held regular meetings to consider issues pertaining to faculty composition, faculty compensation, and faculty benefits to report to the Regents.

Faculty Composition: As half of the University of Michigan faculty is retirement eligible in the next 18 months, competition for active accomplished faculty is likely to accelerate based on demographic trends. This year has included some prominent victories and defeats in recruitment battles for faculty. Our competitors are expanding their faculty recruitment and retention staff, enhancing marketing efforts to prospective faculty, and strategically redirecting endowment funds from bricks and mortar to people. **We recommend that the development office be directed to target fundraising to support faculty recruitment and retention. The University should develop enhanced strategies to streamline the recruitment and retention process, and pre-fill faculty slots which will be lost to retirement to avoid knowledge gaps.**

Salary Report: We remain concerned by the example of the societal trend of women not receiving equal pay for equal work. Salary data needs to be handled carefully in an era of state budget cuts. **Provide transparent salary information. Salary needs to be enhanced to avoid a pay cut from benefit cost shifts, as well as to become more competitive with peer institutions.**

Wellness Facilities and Creating a Healthy Community: The availability of market level recreational facilities is critical to recruit and retain faculty. Creating a culture of wellness should reduce health benefit costs to the University. **Engage faculty representation in planning recreational sport facilities, bike and fitness trails connecting all of campus. Implement plans to engender a culture of wellness for the faculty and students. Engage the development office in fundraising to support a culture of wellness.**

Wellness Initiatives:

The committee applauds the M-healthy initiatives and newly created Wellness Institute. The committee met with Dee Edington, PhD, the Director of the Health Management Research Center at the University of Michigan. The committee endorses the concept of focusing on maintaining the health and wellness of its faculty, families, and other employees. Creating a culture of wellness should be a recruitment and retention tool. We applaud Dr. Edington's recommendations: First, this will require committed Regents and Executive Officers to create the vision for a healthy and high performing workplace and workforce. Second, all the leaders (and eventually all employees) have to learn what it takes to create a supportive environment and wellness culture. Third, the University is to be applauded for developing the M-healthy program. Now we need to get more people to use it. We recommend that the current M-Healthy program be incorporated with the HRD courses and made easily available to all. Fourth, a thoughtful approach to incentives should be implemented: for example, no increase in health care

premium contributions if clear wellness engagement or performance criteria are met . Fifth, a comprehensive Quality Assurance Learning System should be in place to provide nearly real-time information related to clear health and economic metrics. Stairwell doors need to be unlocked. One can envision bridges being built across busy roads, train tracks, and rivers to facilitate pedestrian and bicycle passage between central and North campus. We applaud the University's attention to healthy food choices on campus. **Preventing cases of diabetes saves costs rather than shifting costs to faculty, and it enhances faculty vitality and fitness. Engage Regents, Executive officers and faculty to work with the Health Management Research Center and newly created Wellness Institute to create a vibrant and optimally healthy faculty and staff.**

Health Benefits: The University continues to provide outstanding benefits. Many faculty view the retirement health benefit as deferred compensation. **As we engage in recruitment and retention competition, average benefits may lead to a long term slip in the University's ability to recruit and retain faculty who are the leaders and the best. The committee remains concerned by the stated goal of University management to provide average benefits in comparison with peer institutions. Benefits should be grandfathered for those already hired to the greatest extent possible.**

Health Facilities: We request that the Regents endorse plans to renovate and expand the Main Hospital to eliminate double rooms except in cases of national disaster.

Disability Benefits are currently below market. **Enhance University contribution to disability benefits. Make life insurance and disability policies portable when people leave the University. Retirement Benefits: Accelerated recruitment and retention competition with peer institutions warrants a written commitment to maintain a 10% match, alternatively the committee strongly urges a written commitment that these benefits be grandfathered for those currently hired.**

Dependent Tuition: The University of Michigan is at a competitive disadvantage with both peer and non-peer institutions which value a dependent tuition benefit for faculty recruitment and retention. **Adopt the Budget Committee recommendation for matching MET contributions. Provide reduced tuition and fees for Spring and Summer Term, where class room seats sit vacant awash in fixed costs. Offer more merit scholarships for faculty tuition relief.**

University Autonomy: As a tenet of academic freedom, the University faculty object to Lansing politics setting faculty benefits or salary directly or interfering with the University's budgetary autonomy in any way. **Support plans to keep the University autonomous.**

Report to Regents on Faculty Economic Status: The Regents are encouraged to enhance the economic status of the faculty with improved salary and benefits. If measures are not taken to reverse a steady trend in faculty benefit erosion, we fear the long term effects on the University will be deleterious as it faces recruitment and retention challenges with its academic peer competitors.

Respectfully submitted: Fred Askari, Chair CESF

